

City of Newport Urban Renewal Overview

March 4, 2013 - Urban Renewal Agency
Meeting

Agenda

- ▶ Urban Renewal 101
- ▶ Responsibilities of an Urban Renewal Agency
- ▶ Overview of South Beach Urban Renewal Plan
- ▶ Status of Budgeted Projects
- ▶ Closeout of North Side Urban Renewal District
- ▶ Projects for FY 13/14
- ▶ Future Projects, Revenue Projections and Debt Retirement



What is Urban Renewal?

- ▶ A program for improving certain parts of a City through development of poorly developed or underdeveloped areas (i.e. “blight”).
- ▶ Is authorized pursuant to ORS Chapter 457, and requires the creation of an Urban Renewal Agency and the development of an Urban Renewal Plan.
- ▶ Plan must be developed through a public process with sign-off from taxing entities.
- ▶ Plan must further identify the specific geographic area, the maximum permissible debt limit, and projects to be funded.



Blighted Conditions

Examples of blighted conditions include:

- ▶ Substandard streets, rights-of-way, and traffic management.
- ▶ Incomplete bike/pedestrian system and evacuation routes.
- ▶ Inadequate water storage capacity and distribution lines.
- ▶ Undersized or absent sanitary sewer lines.
- ▶ Incomplete storm water management systems.
- ▶ Inadequate recreation facilities and open space.



Urban Renewal Agency Powers

In carrying out an Urban Renewal Plan an Agency may:

- ▶ Acquire real property, including by condemnation.
 - ▶ Clear acquired areas including demolishing, removing or rehabilitating buildings/improvements.
 - ▶ Install, construct or reconstruct streets, utilities and site improvements.
 - ▶ Exercise powers which a housing authority may perform.
 - ▶ Plan and implement programs for the voluntary repair and rehabilitation of buildings
 - ▶ Assist in relocating persons and property
 - ▶ Dispose of, including by sale or lease, any property
 - ▶ Create/carry out neighborhood development plans.
 - ▶ Plan for the enforcement of laws, codes, and regulations related to the above.
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Urban Renewal Authority versus Typical City Powers

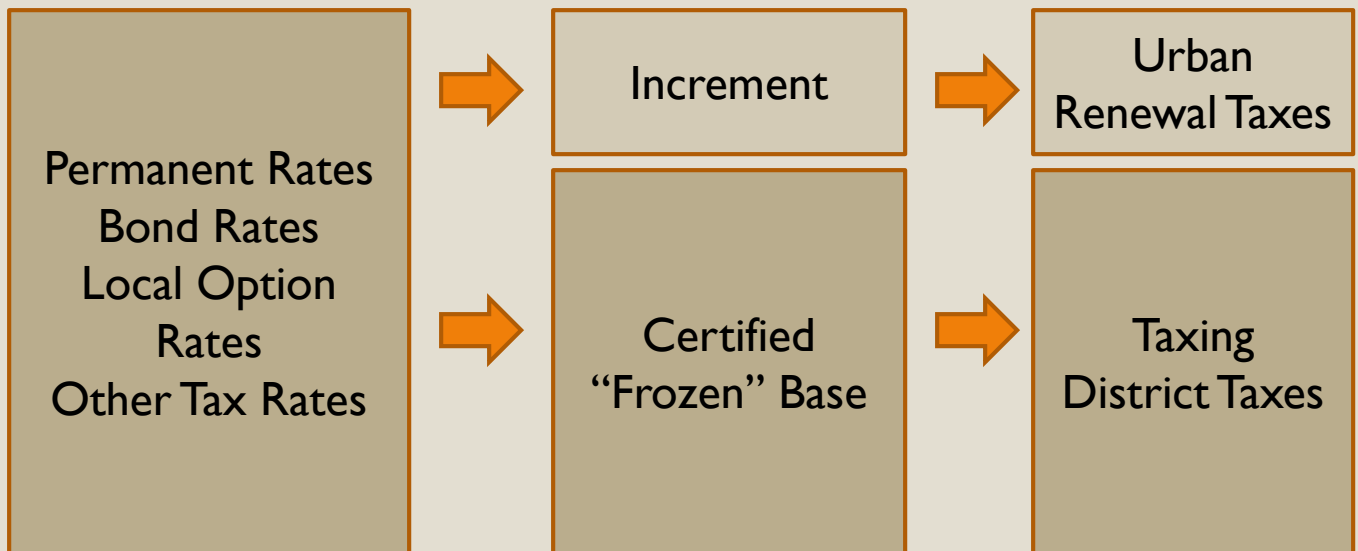
An Urban Renewal Agency's authority differs from a City's in that it can:

- ▶ Utilize tax increment financing to pay for improvement projects.
 - ▶ Buy and assemble sites for development or redevelopment. This includes the option of selling property for less than fair market value if doing so implements a plan objective.
 - ▶ Work with private parties to complete development projects in a manner that is more flexible than what a city can accomplish.
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Tax Increment Financing

$$\begin{array}{ccccc} \text{Total Tax} & & \text{Assessed Value} & & \\ \text{Rates} & \times & \text{in Urban} & = & \text{Tax} \\ & & \text{Renewal Area} & & \text{Revenues} \end{array}$$



- ▶ Tax increment financing leverages the existing tax base to finance improvements.
 - ▶ Frozen base established when district is formed. Increase above that serves as the increment.
 - ▶ Financed improvements increase health of the tax base, so that all taxing entities benefit when district closes and increment is released.
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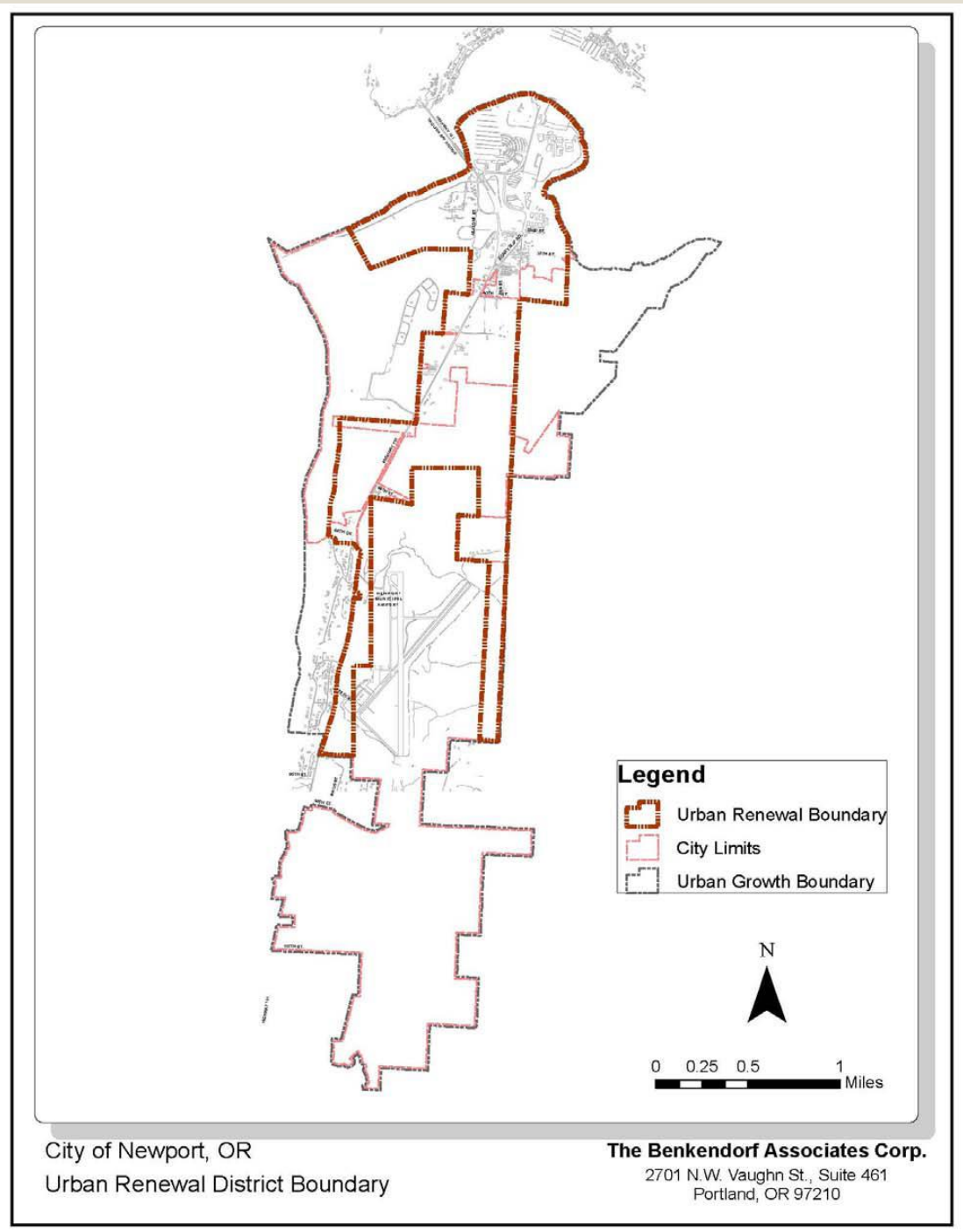


Agency Role and Responsibilities

- ▶ Provide direction for implementation and amendment of the Urban Renewal Plan.
- ▶ Plan administration delegated to staff.
- ▶ Urban Renewal Agency can be the City Council or separate entity. City Council took on the responsibilities of the agency in 2008.



South Beach URA District



South Beach Plan Overview

- ▶ Initially established in 1983 with closing date of 2010.
- ▶ District extended in 2009 with adoption of Substantial Amendment V. Established three plan phases with specific project lists.
- ▶ Four minor amendments since to refine project list and priorities.
- ▶ District closes to new projects at the end of 2020 with debt to be retired by 2027.
- ▶ Maximum indebtedness capped at \$38.75 million (currently at about \$20 million)



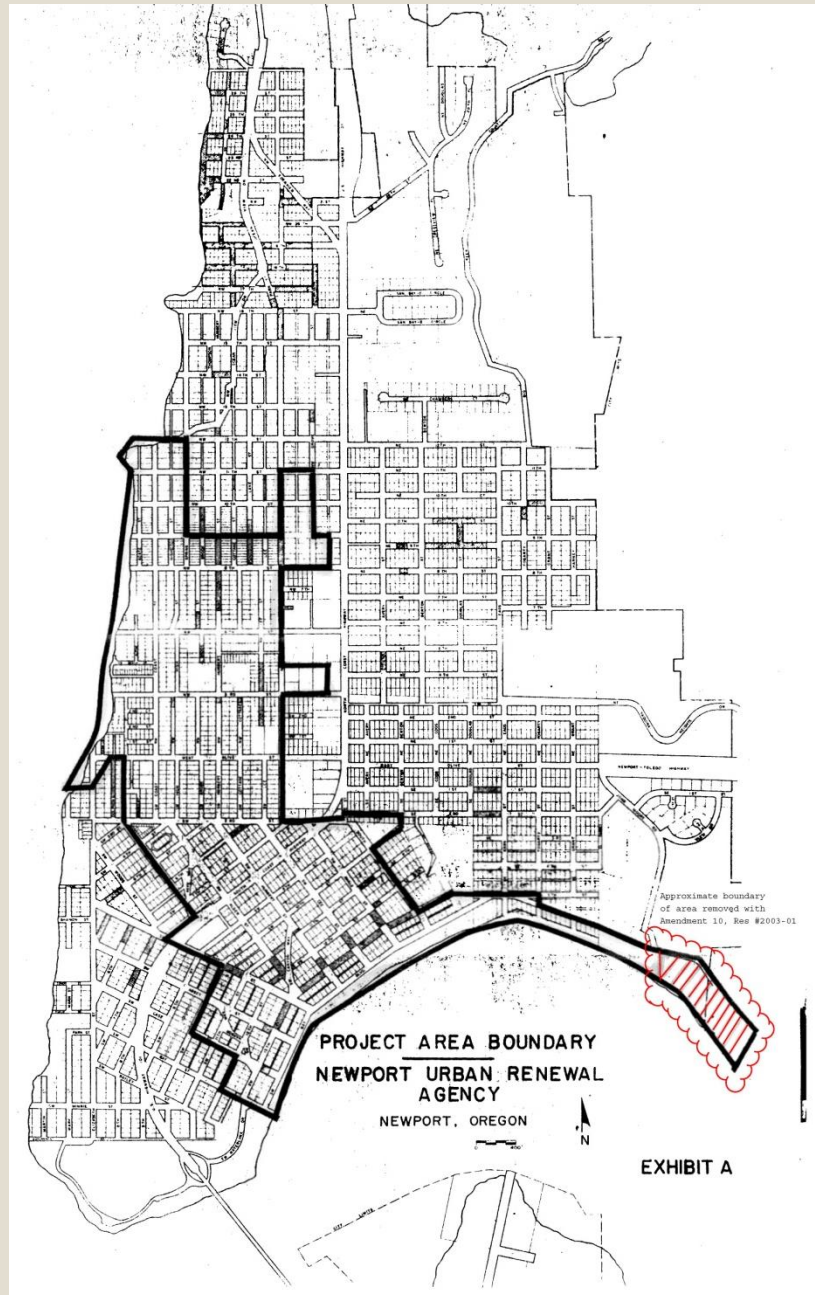
South Beach URA District Budgeted Projects

- ▶ **Ash St Design/Construction (\$557,000)**
 - ▶ Design is complete with bid opening scheduled for late March. Construction may extend into next fiscal year.
- ▶ **Hwy 101 SE 40th to SE 50th (\$1.4 million)**
 - ▶ Substantially complete and will be finished by the end of the fiscal year. Is under budget with \$280,000 to be returned to Urban Renewal construction fund.
- ▶ **South Beach Tsunami Evacuation Route Enhancements (\$200,000)**
 - ▶ URA match to FEMA Hazard Mitigation Funds. Total project cost \$700,000. Preliminary geotechnical work performed. Supplement geotechnical and benefit-cost analysis to be completed by January 2014.
- ▶ **Coho/Brant Neighborhood Plan (\$60,000)**
 - ▶ Plan completed August 2012. Incorporated into TSP in November 2012.



North Side Urban Renewal District

- ▶ Formed in 1973.
- ▶ Projects include: PAC, VAC, Library, Rec. Center, City Hall, Betty Wheeler Park, boardwalks, sewer/water improvements, and Nye Beach Streetscape.
- ▶ Debt retired 2010 and no longer collecting increment.
- ▶ To close when remaining construction funds expended on facility repairs pursuant to 2010 IGA with City.



South Beach URA District FY 13/14 Projects

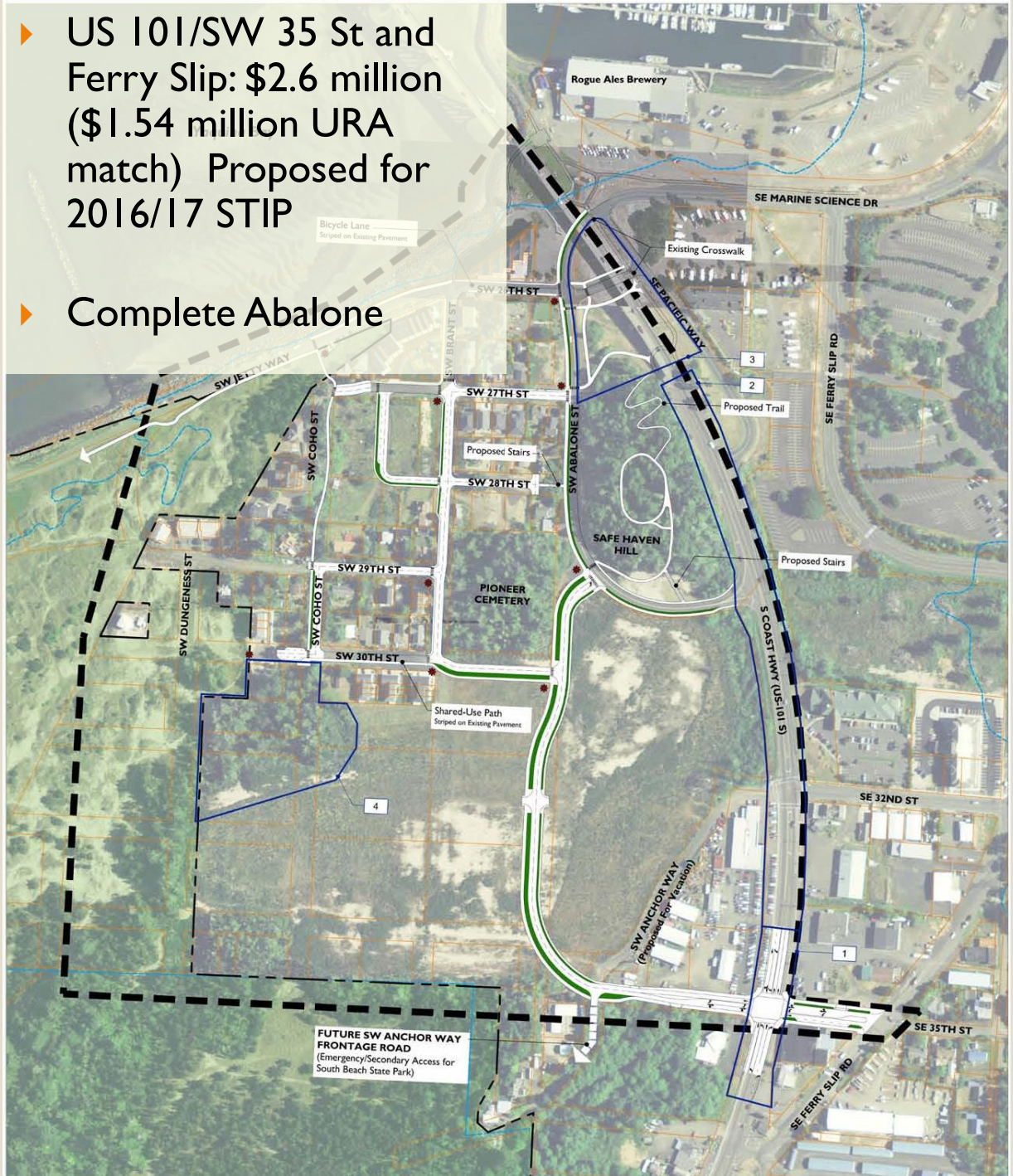
- ▶ Right-of-Way Acquisition: \$140,000
- ▶ SW 30th, Brant to Abalone: \$150,000
- ▶ SW Abalone Street from SW 29th to
OMSI Access: \$370,000

These projects will exhaust the balance of the existing construction fund. Borrowing for Phase 2 to occur FY 14/15.



Key Phase 2 Projects

- ▶ US 101/SW 35 St and Ferry Slip: \$2.6 million (\$1.54 million URA match) Proposed for 2016/17 STIP
- ▶ Complete Abalone



South Beach URD: Phase 1

PROJECTS AND COST ESTIMATES

1. Phase 1 – 2009/12

PUBLIC RIGHTS OF WAY	Cost Estimate	URA Portion
Streets		
Ash St. Design & Construct	425,000*	425,000*
Coho/Brant Area – Plan and Design	70,000*	70,000*
Coho/Brant Area – Construct	850,000	550,000
SE 35 th & Ferry Slip Road	464,000	390,000
Marine Science Drive	2,304,000	1,138,000
Realign Rogue and 25th	448,000	448,000
Pacific Way Improvements	251,000	251,000
Sidewalks		
OSU Dr. to Marine Sc. Dr.	70,000	0
OSU Dr. (Abalone to Ferry Slip)	67,500	67,500
Acquisition		
<i>TSP Projects - right of way</i>	<i>300,000</i>	<i>150,000</i>
UTILITIES		
Water		
<i>Hwy 101 – 40th to 50th</i>	<i>320,000*</i>	<i>320,000*</i>
<i>Sanitary Sewer line-same ROW</i>	600,000	600,000
PUBLIC AMENITIES		
Neighborhood Park/Open Space Site	275,000	125,000
Acquisition (OPRD Grant \$150,000)		
Purchase of 2.5 acre coastal gully & foredune site adjacent to South Beach State Park	225,000	225,000
ACQUISITION/DEVELOPMENT	0	0
COMMUNITY IMPROVEMENT PROGRAMS	0	0
SPECIAL PROJECT IDEAS		
Wetland Planning/Mitigation Bank	200,000	200,000
Trails – easement acquisitions	100,000	100,000
South Jetty Trail	317,000	317,000
<i>Tsunami Evacuation Route</i>	557,000	<i>200,000</i>
<i>Improvements for Safe Haven Hill</i>		
Total:	\$7,028,500	\$4,761,500

South Beach URD: Phase 2

2. Phase 2 – 2013/16

PUBLIC RIGHTS OF WAY	Cost Estimate	UR Portion
Streets		
35 th St. – 101 to Ferry Slip Road	\$2,167,000	\$1,000,000
Commercial Street Prototype and relocate		
32 nd Street Signal		
(Coho/Brant Projects #9 and #10)		
Anchor Way 35 th to 40 th	0	0
Sidewalks		
Ferry Slip Rd - 29 th to Marine Science Dr.	104,000	104,000
(Shared use path and Sidewalk, SB		
Peninsula Refinement Plan)		
SW Abalone – Marine Science Dr. to	325,000	325,000
Abalone extension		
(Coho/Brant Project #12A)		
Acquisition/Development		
TSP Projects - right of way	450,000	250,000
Existing Street/ROW improvements		
including: paving, storm water,		
pedestrian/bicycle paths and landscaping:		
SW 27 th – SW Brant to SW Abalone	145,000	145,000
(Coho/Brant Project #2A)		
SW 30 th – SW Brant to SW Abalone	311,000	150,000
(Coho/Brant Project #5)		
SW Brant – SW 27 th to SW 30 th	707,000	707,000
(Coho Brant Project #7)		
SE Ferry Slip Rd – 32 nd to Ash	144,000	144,000
Match for LIDs formed to implement	150,000	150,000
Tier 2 and Tier 3 Coho/Brant		
improvements		
SW Abalone & SW 35 th St. Stormwater	84,000	42,000
Improvements (Coho/Brant Project #17)		
SW 26th St. and SW Brant St.	84,000	84,000
Stormwater Improvements (Coho/Brant		
Project #16)		
UTILITIES		
Sewer		
101 Gravity line south to Airport	1,000,000	1,000,000
SW 26 th Street Sanitary Lift Station	110,000	110,000
Upgrade (Coho/Brant Project #15)		
Utility Lines		
Bury existing/new lines underground	300,000	300,000
PUBLIC AMENITIES		
Neighborhood Park Development	350,000	0
Neighborhood Park/Open Space/Trail	200,000	200,000
Acquisition or Development		
ACQUISITION/DEVELOPMENT		
Strategic Site Acquisition for Re-Use	250,000	100,000
Site Prep for Re-Use	100,000	100,000
Strategic Site Acquisition for Economic	500,000	300,000
Development, Community Facilities		
and Affordable Housing		
SPECIAL PROJECT IDEAS		
Wetland Mitigation Bank	100,000	100,000
Total:	\$7,581,000	\$5,311,000

South Beach URD: Phase 3

3. Phase 3 – 2017/20

PUBLIC RIGHTS OF WAY	Cost Estimate	UR Portion
Streets		
40 th and 101 Signal and Intersection Improvements (Moved from Phase II)	\$2,624,000	\$1,000,000
50 th and 101 Intersection Improvements	1,970,000	400,000
Sidewalks		
Abalone St. – Abalone extension to US 101 (Coho/Brant Project #12B)	165,000	165,000
35 th St. – Ferry Slip to estuary turn)	400,000	400,000
Acquisition/Development	250,000	0
Existing Street/ROW improvements including: paving, storm water, pedestrian/bicycle paths and landscaping		
SW Abalone St – SW 29 th to Anchor Way (Coho/Brant Project #8)	1,773,000	850,000
Match for LIDs formed to implement Tier 2 and Tier 3 Coho/Brant improvements	200,000	200,000
UTILITIES		
Water		
12" Bay Under-crossing Pipeline	995,000	795,000
King Ridge Reservoir (15% of Cost)	196,200	0
Sewer		
Henderson Creek Piping	280,000	280,000
Henderson Creek Lift Station	323,000	323,200
Storm		
Project 5a – Redirect Drainage	1,480,000	1,480,000
Utility Lines		
Bury existing/new lines underground	200,000	200,000
PUBLIC AMENITIES		
Street Tree and Open Space Planting	100,000	100,000
Street Furniture	50,000	50,000
Gateway to South Beach	700,000	100,000
Neighborhood Park/Open Space Acquisition	200,000	200,000
COMMUNITY IMPROVEMENT PROGRAMS		
Fund Storefront Facade Loan/Grant Program	100,000	100,000
SPECIAL PROJECT IDEAS		
Trails – Acquire and Develop	100,000	100,000
Coastal Gully Open Space Improvements (Coho/Brant Project #18)	200,000	200,000
SW Coho St, SW 29 th St to Jetty Way (Coho/Brant Project #11)	100,000	100,000
Tsunami Evacuation Route Improvements	200,000	200,000
Wetland Mitigation Bank	100,000	100,000
Total:	\$12,706,200	\$7,343,200

South Beach URA District Conservative Growth Projection

PROJECTED REVENUES, DEBT SERVICE & OTHER EXPENDITURES - Assume annual growth of 3.0%

	(A) URA Incremental Revenue 3%	(B & D) Total Existing Debt Service	(E) Remaining Uncommitted Revenue	(F) Phase II Debt Service	(G) Remaining Uncommitted Revenue	(H) Phase III Debt Service	(I) Remaining Uncommitted Revenue
2010-11	1,848,185	1,314,972	(480,394)		(480,394)		(480,394)
2011-12	1,808,906	1,339,603	(108,106)		(108,106)		(108,106)
2012-13	1,891,500	1,332,148	296,039		296,039		296,039
2013-14	1,948,245	1,376,405	921,331		921,331		921,331
2014-15	2,006,692	1,215,078	1,588,657	729,700	321,892		321,892
2015-16	2,066,893	1,221,148	2,262,910	729,700	1,049,851		1,049,851
2016-17	2,128,900	1,270,243	2,909,491	729,700	1,750,139		1,750,139
2017-18	2,192,767	1,243,638	3,559,315	729,700	2,453,669		2,453,669
2018-19	2,258,550	1,097,800	4,923,319	729,700	3,871,380		3,871,380
2019-20	2,326,307	763,550	6,569,626	729,700	5,571,393	1,000,000	3,835,384
2020-21	2,396,096	545,075	8,217,073	729,700	7,272,547	1,000,000	5,610,139
2021-22	2,467,979	609,675	9,972,659	729,700	9,081,839	1,000,000	7,493,032
2022-23	2,542,018	569,250	12,367,240	729,700	11,530,127	1,000,000	10,014,921
2023-24	2,618,279		14,833,659	729,700	14,103,959	1,000,000	12,662,354
2024-25	2,696,827		17,374,070		17,374,070	1,000,000	16,006,066
2025-26	2,777,732		19,990,694		19,990,694	1,000,000	18,696,290
2026-27	2,861,064		22,685,816		22,685,816	1,000,000	21,465,014
Term of Loan (Years)				10			
Total Amount Borrowed				5,370,656		7,360,087	

Annual Tax increment estimated to be collected by South Beach URA. Years 2010-11 and 2011-12 are actual tax increment (A) received; Year 2012-13 is budgeted tax increment; Balance of years are increased at the conservative rate of 3% per year.

(B & D) Current Existing Debt Service, including Phase I Debt Service *

(E) Revenue remaining after existing debt service obligation and reserve is met. **

New annual debt service to adequately fund projects identified in Phase II of South Beach URA Plan document, schedule to begin in

(F) FY 2014-15

Revenue remaining after existing debt service obligation and reserve is met, Phase II debt service obligation and reserve

(G) requirements are met

New annual debt service to adequately fund projects identified in Phase III of South Beach URA Plan document, schedule to begin

(H) in FY 2019-20

Revenue remaining after existing debt service obligation and reserve is met, Phase II and Phase III debt service obligation and

(I) reserve requirements are met

Phase I borrowing original plan to borrow \$4,773,611, the SB URA actually only borrowed \$2.1 Million and refinanced existing debt to a lower rate a savings of \$558,561 over the life of the debt. Also the SB Construction Fund had a beginning Fund balance FY

* 2010-11 of \$2,177,128, this is prior to the \$2.1 Mil borrowing

SB URA Debt Fund beginning Fund Balance for FY 2010-11 was \$743,331, as well as the loan reserves amount, there was never a ** negative fund balance.

South Beach URA District Past Performance Growth Projection

PROJECTED REVENUES, DEBT SERVICE & OTHER EXPENDITURES - Assume annual growth of 6.5%

	(A) URA Incremental Revenue 6.5%	(B & D) Total Existing Debt Service	(E) Remaining Uncommitted Revenue	(F) Phase II Debt Service	(G) Remaining Uncommitted Revenue	(H) Phase III Debt Service	(I) Remaining Uncommitted Revenue
2010-11	1,848,185	1,314,972	(480,394)		(480,394)		(480,394)
2011-12	1,808,906	1,339,603	(108,106)		(108,106)		(108,106)
2012-13	1,891,500	1,332,148	296,039		296,039		296,039
2013-14	2,014,448	1,376,405	983,694		983,694		983,694
2014-15	2,145,387	1,215,078	1,781,670	729,700	514,905		514,905
2015-16	2,284,837	1,221,148	2,661,226	729,700	1,448,167		1,448,167
2016-17	2,433,351	1,270,243	3,594,600	729,700	2,435,248		2,435,248
2017-18	2,591,519	1,243,638	4,620,049	729,700	3,514,403		3,514,403
2018-19	2,759,968	1,097,800	6,456,388	729,700	5,404,449		5,404,449
2019-20	2,939,366	763,550	8,680,196	729,700	7,681,962	1,000,000	5,945,954
2020-21	3,130,424	545,075	11,019,380	729,700	10,074,854	1,000,000	8,412,446
2021-22	3,333,902	609,675	13,590,666	729,700	12,699,846	1,000,000	11,111,039
2022-23	3,550,606	569,250	16,935,336	729,700	16,098,223	1,000,000	14,583,017
2023-24	3,781,395		20,497,410	729,700	19,767,710	1,000,000	18,326,105
2024-25	4,027,186		24,291,019		24,291,019	1,000,000	22,923,015
2025-26	4,288,953		28,331,212		28,331,212	1,000,000	27,036,809
2026-27	4,567,735		32,634,018		32,634,018	1,000,000	31,413,216
Term of Loan (Years)				10			
Total Amount Borrowed				5,370,656		7,360,087	

Annual Tax increment estimated to be collected by South Beach URA. Years 2010-11 and 2011-12 are actual tax increment received; Year 2012-13 is budgeted tax increment; Balance of years are increased at the rate of conservative 6.5% per year

(A) (Average of tax increment received between FY 2004 - FY 2012).

(B & D) Current Existing Debt Service, including Phase I Debt Service *

(E) Revenue remaining after existing debt service obligation and reserve is met. **

New annual debt service to adequately fund projects identified in Phase II of South Beach URA Plan document, schedule to begin in

(F) FY 2014-15

Revenue remaining after existing debt service obligation and reserve is met, Phase II debt service obligation and reserve

(G) requirements are met

New annual debt service to adequately fund projects identified in Phase III of South Beach URA Plan document, schedule to begin

(H) in FY 2019-20

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Questions?

